

My name is Robert Savin. I am the President of Savin Foods. We own and operate four restaurants within the state of Connecticut and have over 110 hourly employees. I stand here today in opposition of HB 5291 AA Increasing the Minimum Wage, Removing the Minimum Wage Tip Credit and Increasing Penalties for Failure to Pay the Minimum Wage.

As you are aware, Connecticut has the fourth highest minimum wage in the country. In 2011, Connecticut was the first state in the nation to mandate employers provide paid sick leave to their employees. This essentially was a pay increase for those who qualified under the law.

HB 5291 AA will have a dramatically negative effect on my business. Not only will I have to increase the wages of those making minimum wage, but also those making more than minimum wage. As a result, on top of the already mandated paid sick leave, our payroll taxes will go up and our unemployment compensation will increase.

Restaurants survive on the slimmest of margins. By increasing our costs by 18% you will essentially be putting many restaurants owners out of business, and thus adding to the unemployment problem.

Those businesses that do survive will increase their prices to the consumer to offset the 18% increase you impose upon them. Consumers will now be paying 18% more for products. This drastic increase will cause consumers to stop spending and slow the economic recovery. When consumers stop spending, businesses make less money. When businesses make less money, they start laying off employees.

Furthermore with an 18% increase in minimum wages, businesses will move to other states, thus decreasing the states tax revenue.

If you think you are solving a problem by increasing our costs by 18%, you are wrong. You are making the problem worse.

Robert Savin
President,
Savin Foods

Wings Over Connecticut & Eastern Massachusetts

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